

0.2.3.0.1.5.2

RECEIVED  
JOINT PIPELINE OFFICE

State of Alaska  
Department of Natural Resources 02 DEC -3 PM 2:19  
Joint Pipeline Office  
411 West 4<sup>th</sup> Avenue, Suite 2C  
Anchorage, Alaska 99501

**Commissioner's Final Written Determination  
Renewal and Amendment of Right-of-Way Lease for the  
Trans-Alaska Pipeline System  
and Associated Rights  
ADL 63574**

**ACTION:**

The Commissioner of the State of Alaska, Department of Natural Resources, pursuant to AS 38.35.110, proposes to amend and renew the Trans-Alaska Pipeline Right-of-Way System (TAPS) Lease and all renewable rights associated with TAPS for the maximum period authorized by law.

**BACKGROUND:**

On May 3, 1974, the State of Alaska executed the Right-of-Way Lease for the Trans-Alaska Pipeline (Lease), authorizing the construction and operation of the Trans-Alaska Pipeline System across state land. TAPS currently crosses approximately 344 miles of state land between Prudhoe Bay and Valdez, Alaska. The Lease, issued under the authority of AS 38.35.010 - 260 (the "Right-of-Way Leasing Act"), provides a term of 30 years, subject to a right of renewal in accordance with the requirements of AS 38.35.110. The Lease will expire on May 2, 2004, if not renewed or in the process of renewal by that date.

The procedures for renewal of an AS 38.35 pipeline right-of-way (ROW) Lease are set out in 11 AAC 80.065 - 085. On May 2, 2001, the TAPS Lessees submitted an application for renewal of the Lease, thus providing the minimum two years for processing required by 11 AAC 80.065. The State Pipeline Coordinator's Office (SPCO) published the required public notices of the application on May 23 and 24 and June 11, 2001, and has undertaken the in-depth review of Lessee's compliance with state laws, regulations, and terms of the Lease required for approval of Lease renewal under AS 38.35.110.

The Commissioner published a Proposed Written Determination on July 5, 2002, recommending renewal of the Lease for 30 years. Copies of the proposed determination were provided to the Lessees, placed in seven public libraries in communities along the pipeline corridor for public review, and made available to the public upon request. Public hearings were held in Cordova, Valdez, Glennallen, Anchorage, Fairbanks, Minto and Barrow, Alaska. The public comment period closed on August 20, 2002, at 5:00 p.m.

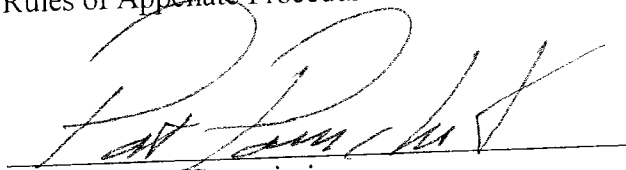
In addition to the information considered in making the proposed written determination in July, the record now includes a supplemental November 19, 2002, TAPS Renewal Status Report provided by the SPCO, that includes results of the 2002 SPCO monitoring efforts accomplished since July 5, 2002, as well as all submitted public comments and the associated SPCO responses.

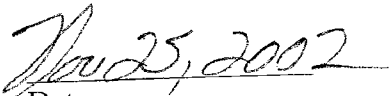
**PUBLIC INVOLVEMENT IN TAPS:**

Several public comments indicated an interest in increasing public's access to information and involvement in TAPS, through the proposed establishment of a citizen's oversight group. I have reviewed the concept of a citizen's oversight group and have determined that it would not appreciably improve existing regulatory oversight of the pipeline because: 1) the SPCO (as a partner in the Joint Pipeline Office) comprehensively monitors all aspects of pipeline operation, from engineering to impact on wildlife, with the power to issue corrective compliance orders to the pipeline operator, and regularly publishes detailed reports of all facets of the SPCO work for public review; and 2) the proposal for a duplicate, non-governmental oversight effort would not be a cost effective means of increasing public access to information on TAPS operational and maintenance issues. I do, however, support a process to further encourage the public's involvement and information exchange with the Joint Pipeline Office regulatory agencies. To achieve this goal, I am recommending that the JPO Executive Council adopt a new charter that will expressly charge this multi-agency TAPS oversight body with providing public meetings a minimum of twice per year, held in communities along the TAPS right-of-way on a rotational basis, to address substantial issues that arise from time to time regarding TAPS operations. The JPO Executive Council will additionally be charged to develop recommendations designed to facilitate information exchange and involvement with the public. A copy of the proposed charter is attached to this Determination.

**DETERMINATION:**

I have reviewed the administrative record of this renewal process, including the information cited and relied upon in the July 5, 2002, Proposed Written Determination; the public comments and responses thereto; and the supplemental information provided to me in the November 19, 2002, SPCO Renewal Status Report. Based on this review, the decision reached in the Proposed Determination is not revised and therefore the Right-of-Way Lease for the Trans-Alaska Pipeline, entered into May 3, 1974, shall be renewed for a period of 30 years from the end of its original term. It is my intent to renew, to the full extent of my authority, the Lease and all pipeline facilities as defined in AS 38.35.230(7) for the maximum period authorized by law. This is the final agency determination. To the extent that judicial review is permitted by AS 38.35.200, the determination is appealable within 30 days to the superior court pursuant to Part VI of the Rules of Appellate Procedure.

  
Pat Pourchot, Commissioner  
Alaska Department of Natural Resources

  
Date

## **AGREEMENT TO SUPPORT THE STATE-FEDERAL JOINT PIPELINE OFFICE**

### **A. PURPOSE**

The State-Federal Joint Pipeline Office (JPO) was created in March 1990. It was created to provide full partnership for State and Federal agencies in monitoring of the Trans-Alaska Pipeline System (TAPS). The JPO is an appropriate intergovernmental structure to carry out the multi-agency mission of safely moving oil and gas to market while ensuring the protection of public health and safety and the environment.

The purpose of this agreement is to perpetuate a more formal and effective intergovernmental partnership to provide coordinated State and Federal permitting; monitoring; enforcement; public interaction, and preparedness planning activities on TAPS and other common carrier oil and gas pipelines in Alaska. This Agreement encourages and provides a mechanism for coordinated intergovernmental action in regulating and overseeing pipelines within each agency's laws and regulations. The agreement also provides a framework for enhanced public input and participation in TAPS oversight.

### **B. OBJECTIVES**

Objectives of this Agreement are as follows:

- provide executive level coordination and oversight of the JPO;
- provide central accountable leadership within the JPO;
- assure an inter/intra-agency coordinated work program for appropriate agencies to issue permits, grants, and leases; monitor pipelines; provide enforcement; and
- encourage public participation through this council and other appropriate means.

All signatories agree to work cooperatively to ensure pipeline integrity, public safety, and environmental protection. This will be accomplished by the JPO providing a single point of contact whenever possible and appropriate. This single point will provide consistency and coordination for permitting; oversight and enforcement; preparedness planning; and accountable agency leadership.

## C. PROCEDURES

To accomplish the objectives, an Executive Council has been established to oversee the JPO. Members of the Executive Council are:

- Alaska Department of Environmental Conservation, Commissioner
- Alaska Department of Fish and Game, Commissioner
- Alaska Department of Labor and Workplace Development, Commissioner
- Alaska Department of Transportation & Public Facilities, Commissioner
- Alaska Department of Natural Resources, Commissioner
- Alaska Governor's Office, Division of Governmental Coordination, Director
- U.S. Department of Defense, Army Corps of Engineers, District Engineer
- U.S. Department of the Interior
  - Bureau of Land Management, Alaska State Director
- U.S. Department of Transportation
  - U.S. Coast Guard, Commander, Seventeenth District
  - Office of Pipeline Safety, Administrator
- U.S. Environmental Protection Agency
  - Assistant Regional Administrator for Alaska

Additional State or Federal agencies with authorities over pipelines may be added.

The Executive Council will be Co-Chaired by the Alaska State Director, Bureau of Land Management and the Commissioner, Department of Natural Resources. The Executive Council shall meet at minimum twice per year. To encourage public participation, meetings shall be held in communities along the TAPS right-of-way on a rotational basis. It may meet at other times at the call of the Co-Chairperson(s), or a majority of members. The meetings will be scheduled to fit the budget processes of the State and Federal governments. If a member cannot attend a meeting, an alternate may attend.

The JPO shall be headed by a State Pipeline Coordinator appointed by the Governor and an Authorized Officer appointed by the Bureau of Land Management, Alaska State Director. The two positions shall serve as Co-Directors for the Executive Council.

Each member of the Executive Council having statutory responsibilities over any aspect of pipelines agrees to appoint a point of contact person to act as liaison: or to appoint an authorized officer to represent the member on all matters pertaining to pipelines. These matters shall include pre-construction, construction, operation, maintenance, and termination of pipeline activities. Insofar as possible, the member's designated appointee shall be located within the JPO in Anchorage, Alaska.

The Executive Council will actively pursue opportunities to improve the operation of the JPO. These may include areas such as training in each other's authorities, delegation to their representative the authority to enforce terms, conditions, and stipulations of each lease/grant, permit or other authorization issued by their agency, and clarification of roles and responsibilities.

The JPO shall annually develop a proposed fiscal year work plan for the Executive Council's review and approval. Degree of involvement in the work plan will vary from agency to agency depending on a variety of factors and will be subject to annual revision.

The Executive Council meetings will be open to the public and conducted in a manner to facilitate public participation. The Executive Council will solicit and adopt procedures to improve information exchange and involvement with the public.

The Executive Council will actively develop operational directives to carry out the purposes of this agreement in the most efficient manner.

The Executive Council may adopt rules necessary for the performance of its duties.

#### D. ADMINISTRATIVE PROVISIONS

Nothing in this Agreement shall abrogate statutory responsibility or authority of any agency. Nothing in this Agreement shall be construed as obligating any agency to the expenditure funds in excess of appropriations authorized by law or otherwise commit any agency to actions for which it lacks statutory authority.

This Agreement shall be reviewed by all parties three years following its signing, and every three years thereafter. Any party to this agreement may withdraw at any time by providing written notice to the Executive Council Co-Chairs.

**AGREED TO:**

\_\_\_\_\_  
Date \_\_\_\_\_  
Commissioner, Alaska Department of Environmental Conservation

\_\_\_\_\_  
Date \_\_\_\_\_  
Commissioner, Alaska Department of Fish and Game

\_\_\_\_\_  
Date \_\_\_\_\_  
Commissioner, Alaska Department of Labor and Workplace Development

\_\_\_\_\_  
Date \_\_\_\_\_  
Commissioner, Alaska Department of Transportation & Public Facilities

\_\_\_\_\_  
Date \_\_\_\_\_  
Commissioner, Alaska Department of Natural Resources

\_\_\_\_\_  
Date \_\_\_\_\_  
Director  
Alaska Governor's Office, Division of Governmental Coordination

\_\_\_\_\_  
Date \_\_\_\_\_  
District Engineer  
U.S. Department of Defense, Army Corps of Engineers

\_\_\_\_\_  
Date \_\_\_\_\_  
Alaska State Director  
U.S. Department of the Interior, Bureau of Land Management

\_\_\_\_\_  
Date \_\_\_\_\_  
Commander, U.S. Coast Guard, Seventeenth District  
U.S. Department of Transportation

\_\_\_\_\_  
Date \_\_\_\_\_  
Administrator, Office of Pipeline Safety  
U.S. Department of Transportation

\_\_\_\_\_  
Date \_\_\_\_\_  
Assistant Regional Administrator for Alaska  
U.S. Environmental Protection Agency